

STATE OF IOWA
DEPARTMENT OF COMMERCE
UTILITIES BOARD

IN RE: FRONTIER COMMUNICATIONS OF IOWA, INC.	DOCKET NO. TF-00-280
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ORDER DOCKETING PROPOSED TARIFF FOR FURTHER REVIEW

(Issued December 6, 2000)

On November 6, 2000, Frontier Communications of Iowa, Inc. (Frontier), filed a proposed tariff with the Utilities Board (Board) designed to adjust rates in compliance with its price regulation plan. The proposed tariff has been identified as Docket No. TF-00-280. The proposed tariff revisions reflect a reduction in basic communications services (BCS) rates by 1.1 percent based upon a deferred decrease from year 4 of the plan and a required increase for the current year of the plan. Frontier filed its calculation for year 4 on November 3, 1999, and that calculation showed a required decrease of 1.3 percent. That decrease was deferred as authorized by Iowa Code § 476.97(6). Frontier calculated that for the current year of the plan, year 5, it is entitled to an increase of 0.2 percent.

On November 22, 2000, the Consumer Advocate Division of the Department of Justice (Consumer Advocate) filed an objection to the proposed tariff. Consumer Advocate contends that Frontier has miscalculated the year 5 inflation rate by not using the most recent Gross Domestic Product Price Index (GDPPI). Consumer Advocate states that the most recent GDPPI rates are in the November 2000 edition

published by the U.S. Department of Commerce. Consumer Advocate asserts that the most recent rates result in a required decrease of 0.3 percent for year 5, which must either be combined with the deferred decrease from year 4 or deferred for a year.

The Board finds that the proposed tariff should be docketed for further review. The Board is addressing a similar issue in Docket No. TF-00-250, involving the price regulation plan of Qwest Corporation, f/k/a U S WEST Communications, Inc., (Qwest). A resolution in that docket of the correct GDPPI rates to utilize in the calculation of the inflation rate under the Qwest price regulation plan will provide guidance for the resolution of the issues in this docket. The Board will not establish a procedural schedule at this time, since with further review the issues may be resolved without the necessity of a formal proceeding.

IT IS THEREFORE ORDERED:

The proposed tariff filed by Frontier Communications of Iowa, Inc., on November 6, 2000, is docketed for further review.

UTILITIES BOARD

/s/ Allan T. Thoms

/s/ Susan J. Frye

ATTEST:

/s/ Raymond K. Vawter, Jr.
Executive Secretary

Dated at Des Moines, Iowa, this 6th day of December, 2000.